

MINUTES OF SPECIAL COUNCIL MEETING
MAY 25, 2006
4:30 P.M.

The Murray City Council met in special session on Thursday, May 25, 2006, at 4:30 p.m. in the Council Chambers of City Hall, with Mayor Rushing presiding.

Council Members Present: Lance Allison, Robert Billington, Dan Miller, Pete Lancaster, Rita Henley, Danny Hudspeth, Hugh Massey, Pat Scott, Jason Pittman, Butch Seargent, and Bill Wells.

Council Members Absent: Doris Parham.

Staff Present: J. L. Barnett, Don Leet, Carol Roberts, Don Elias, Ken Claud, Michael Skinner, Don Rogers, Philip Morris, David Roberts, Matt Mattingly, Harla McClure, and Warren Hopkins.

Minutes of the council meeting held May 11, 2006, were presented for approval. **Mr. Allison moved, seconded by Mr. Lancaster,** to approve the minutes as written. With no discussion, Mayor Rushing called for a voice vote, which was unanimous in favor of the motion.

Mayor Rushing entertained a motion to open the public hearing for the purpose of obtaining written or oral comments regarding the proposed use of Municipal Aid Funds and LGEA Funds for FY 06-07. **Mr. Pittman moved, seconded by Ms. Henley** to open the public hearing for comments. Mayor Rushing called for the voice vote which was unanimous in favor of the motion. With no comments from the public, **Mr. Allison moved, seconded by Ms. Henley** to close the public hearing. Mayor Rushing called for the voice vote which was unanimous in favor of the motion.

Mayor Rushing entertained a motion to open the public hearing for the purpose of obtaining written or oral comments regarding the proposed budget for the City of Murray for the FY 06-07. **Mr. Scott moved, seconded by Mr. Massey** to open the public hearing for comments. Mayor Rushing called for the voice vote which was unanimous in favor of the motion. With no comments from the public, **Mr. Allison moved, seconded by Mr. Lancaster,** to close the public hearing. Mayor Rushing called for the voice vote which was unanimous in favor of the motion.

The Mayor then presented his budget message as follows:

To: Council - City of Murray, Kentucky

From: H. Thomas Rushing

Date: May 25, 2006

Re: 2006 - 2007 Budget Proposal

In accordance with Kentucky Revised Statute 91A.030, the Annual City Budget Report for the City of Murray, Kentucky for the fiscal year ending June 30, 2007, is hereby submitted.

Herewith I am presenting to you this budget message and attached budget proposal for the Fiscal Year 2006 - 2007 so as to comply with all the statutes.

Appreciation is extended to the Finance Committee and Department Heads who have devoted their time and efforts in developing a sound financial plan. It is my desire that the Budget provides all citizens with a high quality of municipal services which is both efficient and effective. Murray has in past years been well-governed, well-managed and fiscally sound. I hope to keep in place these past traditions to insure community pride. This budget report indicates sufficient financial resources to maintain current levels of services without any reductions in personnel or programs.

The compiled budget for all city operations shows available funds of \$37,045,738. This represents an increase of 13% or \$4,242,785 more than the prior year's total city operations. The increase in budget comparisons is mainly due to an increase in funds from three areas. The new budget is increased in the Capital Projects fund by \$1,750,538 for the Southwest annexation sewer and water projects and other sewer projects. There is also an increase in the Murray Natural Gas fund of \$1,857,500 to reflect prior year and continued new budget year cost of natural gas. The final area of increase is in Special Grant funds. The net effect of increased Murray Water and Sewer grants of \$1,073,500 and decreased City grants of \$475,000 result in an increase of \$598,500. These three areas account for \$4,206,538 of the increase.

As part of the budget process, individual departments furnished separate bound supplements detailing their long-range plans for capital expenditures. Copies will be furnished upon request.

The budget has set forth these primary objectives to be accomplished in the next year:

- 1) A base salary increase for all employees will be set at 3.40% for cost of living allowances.
- 2) Additional funds will be available for performance increases, salary adjustments, and grade reclassifications. The Mayor will determine all salary increases. The Mayor will consider recommendations from department heads for performance increases. The total allocation available for the General Fund and Utility Funds for all three salary increase categories will be \$68,000.
- 3) Minimum salary entry levels for new employees will be adjusted by 2.5% to be competitive for new employees. The maximum level for each grade will be adjusted by the cost of living allowance of 3.40%. The starting salary for a new certified and sworn police officer and fire fighter will be set at \$24,000.

- 4) In the pay classification plan, the position of Director of Administration will be created for the new fiscal year. The City Administrator position will remain in the pay classification plan but will not be funded.
- 5) The City's self-insured health insurance committee has not finalized its recommendation for any premium cost increase to the City or employees. Budget amounts for health insurance costs were adjusted for a possible 6% increase similar to the prior year's adjustment.
- 6) The City will continue the Christmas gift of \$25 Chamber Dollars for employee recognition of services.
- 7) Employee benefit costs will experience increases in the cost of retirement benefits. The CERS Hazardous employer rate will increase from 25.01% to 28.21%. The CERS Non-Hazardous employer rate will increase from 10.98% to 13.19%. These increases can be attributed to medical costs in the retirement program for retirees.
- 8) The City will attempt to maintain the policy of limiting expenditure growth to the same level of anticipated revenue growth. This keeps the City from budgeting a growing expenditure base that out paces possible revenue projections.
- 9) A policy to use E911 generated funds to help defray associated dispatcher costs along with telephone and radio communication costs will be continued. The amount designated for personnel costs is \$25,000.
- 10) In order to continue the same level of services for the citizens of Murray that has been received in prior years, property taxes will be set as allowed under HB44 for 4% growth.
- 11) The largest capital project during the year will be a new bio-solids treatment process for sludge at the wastewater treatment plant at an expected cost of \$2,000,000. The State of Kentucky has extended the City's land farming permit for sludge application for 2 years in order to allow the City to implement this new sludge handling process. It is anticipated the City will receive \$1,215,000 in State funds to be used toward the project's cost.
- 12) The Kentucky State Legislature's HB 272 (Tax Modernization Bill), which redefined the manner in which the City receives franchise fees, will be reflected in its first full year of existence. The City will now be receiving fees from the State through a statewide telecommunications tax mechanism that promised to keep the City whole as to historical amounts received in prior years for franchise fees. Preliminary receipts from the State indicate a drop of approximately \$30,000 in anticipated revenues.
- 13) The City will maintain the current level of funding for the City's Police & Firemen's old pension fund. Currently the P & F receives 1.65 cents/\$100 of property tax value for funding.

14) The largest capital equipment expenditure will be the purchase of a totally automated garbage truck at a cost of \$190,000. Funds from the Sanitation reserves will be used to pay for the equipment.

15) Expansion to undeveloped property owned by the City in the Cemetery will allow the City to have more lots for sale. Expected costs are to be approximately \$15,000.

16) Use of local funds in the amount of \$140,000 is a carryover from FY05-06 for renovation of old Post Office building on the Court Square.

The 2006/2007 Budget recommended for your approval represents a realistic and sound budget. The City monitors all departments to assure compliance within budget parameters. Internal controls along with various checks and balances are emphasized to insure proper accounting of receipts and disbursements. We want to assure our tax and service payers that proper stewardship of the public funds is our first concern.

In closing, I wish to express our appreciation to you for your continued support of our efforts in serving the citizens of Murray.

Ordinance Number 2006-1412 an Ordinance adopting the City of Murray, Kentucky Annual Budget for the period July 1, 2006, through June 30, 2007, by estimating revenues and appropriating funds for the operations of City government was presented to the council on a first reading. **Ms. Henley moved, seconded by Mr. Massey** to approve said Ordinance. With no discussion, Mayor Rushing called for the roll call vote, which is recorded as follows:

AYES: Lance Allison, Robert Billington, Butch Seargent, Danny Hudspeth, Hugh Massey, Pat Scott, Rita Henley, Dan Miller, Jason Pittman, Pete Lancaster, and Bill Wells.

NAYS: None.

Mayor Rushing declared Ordinance Number 2006-1412 approved on the first reading.

Mayor Rushing recognized Greg Latham, Vice President for NewWave Communications. Mr. Latham stated that he was present to answer any questions the Council may have regarding their proposed purchase of Charter Communications. Mr. Latham provided the Council with information on the company and how they want to improve upon the services already offered.

Resolution Number 2006-006 a Resolution approving the transfer of the cable franchise from Charter Communications, LLC to Telecommunications Management, LLC d/b/a NewWave Communications was presented to the Council for approval. **Mr. Wells moved, seconded by Ms. Henley** to approve said Resolution.

With no discussion, Mayor Rushing called for the voice vote which was unanimous in favor of the motion.

Ordinance Number 2006-1407 an ordinance zoning a 301.877 acre tract of land generally located on the southwest side of Murray, Calloway County, Kentucky as R-2 (single family residential) and AG (agriculture) was presented to the council for a second reading. **Mr. Billington moved, seconded by Mr. Massey** to adopt said ordinance.

With no discussion, Mayor Rushing called for the roll call vote, which was recorded as follows:

AYES: Lance Allison, Robert Billington, Danny Hudspeth, Hugh Massey, Pat Scott, Rita Henley, Dan Miller, Jason Pittman, Pete Lancaster, and Bill Wells.

NAYS: None.

Councilman Seargent recused himself.

Mayor Rushing declared Ordinance Number 2006-1407 adopted on the second reading and recorded in Ordinance Book 6, Page _____.

Ordinance Number 2006-1406 an Ordinance annexing a 301.877 acre tract of land generally located on the southwest side of Murray, Calloway County, Kentucky was presented to the council on a second reading. **Mr. Billington moved, seconded by Ms. Henley** to adopt said Ordinance.

With no discussion, Mayor Rushing called for the roll call vote which is recorded as follows:

AYES: Lance Allison, Robert Billington, Danny Hudspeth, Hugh Massey, Pat Scott, Rita Henley, Dan Miller, Jason Pittman, Pete Lancaster, and Bill Wells.

NAYS: None.

Councilman Seargent recused himself.

Mayor Rushing declared Ordinance Number 2006-1406 adopted on the second reading and recorded in Ordinance Book 6, Page _____.

Ordinance Number 2006-1408 an ordinance rezoning a 4.53 acre tract of land owned by Harold McReynolds and Larry Hurt and located on the northwest corner of Robertson Road North and Highway 94 West from AG (agriculture) to R-2 (single family residential) was presented to the council for a second reading. **Mr. Scott moved, seconded by Mr. Massey** to adopt said ordinance.

With no discussion, Mayor Rushing called for the roll vote which was recorded as follows:

AYES: Lance Allison, Robert Billington, Butch Seargent, Danny Hudspeth, Hugh Massey, Pat Scott, Rita Henley, Dan Miller, Jason Pittman, Pete Lancaster, and Bill Wells.

NAYS: None.

Mayor Rushing declared Ordinance Number 2006-1408 adopted on the second reading and recorded in Ordinance Book Number 6, Page _____.

Ordinance Number 2006-1409 an ordinance rezoning 9.255 acres located between 4th Street and US Highway 741 North from R-2 (single family residential) to B-2 (highway business) was presented to the council for a second reading. Said property is owned by Margaret Neal of 1721 N 4th Street; Donald Thorn of 1713 N 4th Street; George Catlett of 1707 N 4th Street; Nancy Futrell who owns a 30 foot strip of property on N 4th Street; and Paul Garland of 1900 N 12th Street. **Ms. Henley moved, seconded by Mr. Pittman** to adopt said ordinance.

With no discussion, Mayor Rushing called for the roll call vote which is recorded as follows:

AYES: Lance Allison, Robert Billington, Hugh Massey, Rita Henley, Pete Lancaster, Jason Pittman, Pat Scott, Butch Seargent, and Bill Wells.

NAYS: Danny Hudspeth and Dan Miller.

Mayor Rushing declared Ordinance Number 2006-1409 adopted on the second reading by a vote of 9 to 2 and recorded in Ordinance Book Number 6, Page _____.

Ordinance Number 2006-1410 an ordinance amending Chapter 52, Sewers, Section 52.05, Use of Public Sewers, of the City of Murray Code of Ordinances as it pertains to discharging substances was presented to the council on a first reading. **Ms. Henley moved, seconded by Mr. Billington** to approve said ordinance.

Don Leet, Financial Officer, stated that the fee was last increased in the mid 1980's and needed to be increased because the fee is set as a deterrent so our industries stay in compliance. The fee generates approximately \$75,000.

With no further discussion, Mayor Rushing calls for the roll call vote which is recorded as follows:

AYES: Lance Allison, Robert Billington, Danny Hudspeth, Butch Seargent, Hugh Massey, Pat Scott, Rita Henley, Dan Miller, Jason Pittman, Pete Lancaster, and Bill Wells.

NAYS: None.

Mayor Rushing declared Ordinance Number 2006-1410 approved on a first reading.

Ordinance Number 2006-1411 an ordinance amending Chapter 93, Health and Sanitation, Section 93.08, Schedule of Fees, of the City of Murray Code of Ordinances as it pertains to roll-off container fees for commercial and industrial establishments was presented to the council for approval. **Mr. Massey moved, seconded by Mr. Scott,** to approve said ordinance.

With no discussion, Mayor Rushing called for the roll call vote which is recorded as follows:

AYES: Lance Allison, Robert Billington, Danny Hudspeth, Butch Seargent, Hugh Massey, Pat Scott, Rita Henley, Dan Miller, Jason Pittman, Pete Lancaster, and Bill Wells.

NAYS: None.

Mayor Rushing declared Ordinance Number 2006-1411 approved on the first reading.

Ordinance Number 2006-1413 an ordinance amending Chapter 52, Sewers, Section 52.09, of the City of Murray Code of Ordinances, as it pertains to certain rates was presented to the council for a first reading. **Ms. Henley moved, seconded by Mr. Lancaster** to approve said ordinance.

With no further discussion, Mayor Rushing called for the roll call vote which is recorded as follows:

AYES: Lance Allison, Robert Billington, Danny Hudspeth, Butch Seargent, Hugh Massey, Pat Scott, Rita Henley, Dan Miller, Jason Pittman, Pete Lancaster, and Bill Wells.

NAYS: None.

Mayor Rushing declared Ordinance Number 2006-1413 approved on the first reading.

Mayor Rushing recognized Lance Allison, Chair of the Public Works Committee, and requested that he provide a report. Mr. Allison stated the committee met to discuss bids for pipe, fittings, and valves, and fire hydrants for Wiswell Road, King Richard Drive, and Gibbs Store Road.

Mr. Allison moved, as unanimously recommended by the Public Works Committee, to accept the bid of Utility Pipe in the amount of \$121,630.50 for pipe, fittings, and valves. **Mr. Pittman seconded the motion.** With no further discussion, Mayor Rushing called for the voice vote which was unanimous in favor of the motion.

Mr. Allison moved, as unanimously recommended by the Public Works Committee, to accept the bid of National Waterworks in the amount of \$22,895.46 for fire hydrants. **Mr. Billington seconded the motion.** With no further discussion, Mayor Rushing called for the voice vote which was unanimous in favor of the motion.

With no further business to come before the council, the meeting adjourned at 5:00 p.m.

H. Thomas Rushing, Mayor

Attest:

Harla McClure, City Clerk